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*Applied Economics.* By JAMES MAVOR. (Modern Business Series, Canadian Edition.) New York: Alexander Hamilton Institute, 1914. 8vo, pp. xxi+487. \$2.50.

This volume is a part of the Canadian edition of the "Modern Business Series" edited by Professor Joseph French Johnson. The book is lacking in an author's preface, an omission which places the reviewer at an obvious disadvantage. From the editor's introduction one gains the impression that the series is primarily for the use of business men. Professor Mavor's book appears in a more favorable light if judged from this point of view rather than as a text for students in elementary economics.

The book is divided into five parts, to which is added a series of questions for use by students. The parts are entitled, respectively, "Production," "Exchange," "Distribution," "Consumption," and the "Economic Aspects of the State and Municipality." A relatively large amount of space is devoted to production. Besides the customary discussion of the factors of production there are separate chapters on transportation, agriculture, mining, manufacturing, and marketing. The table of contents reveals no important variation from the traditional subject-matter in the parts devoted to exchange and distribution, except the separate chapters on "Markets" and the "Effect of Legislation on Prices." Three chapters are devoted to consumption. The first, entitled "Consumption for Social Use," is largely a cursory discussion of public expenditures. The chapter on "Personal Consumption" contains a discussion of family budgets, housing reform, and the cost of living. The chapter on "Productive Consumption" includes a consideration of the conservation of land and of labor, subjects which, in the reviewer's judgment, may be most profitably treated under the head of production.

Many of the chapters are characterized by a serious lack of orderliness in presentation and by an absence of the sense of proportion. Indeed there is not infrequently a lack of correspondence between the title of the chapter and the subject-matter which it contains. The chapter on manufacturing, for instance, is devoted principally to the localization of industry and to overproduction, problems that could more profitably be treated from the standpoint of industry as a whole. Indeed the author devotes one paragraph in the chapter to the discussion of the localization of agricultural industry. In the chapter on "Getting Goods to Market" one finds discussions of private acquisition and seasonal

industry. The chapter entitled "Some Factors That Affect Prices" contains a rather lengthy discussion of the causes of the rural exodus. The chapter on "Competition and Monopoly" includes a discussion of the process of rent capitalization as well as a consideration of the historical effects of geographical changes in trade routes upon the prices both of commodities and of land. Other illustrations of the lack of unity in chapter organization might be presented.

Professor Mavor's method is historical rather than analytical. Indeed his text would satisfy thoroughly an adherent of the German Historical school. For an elementary text the book is remarkable for the concreteness of the subject-matter. The author displays an extensive fund of information gathered partly from wide travel and observation especially in Russia and China, and partly from economic history. The teacher of elementary economics will find the book a storehouse of fresh illustrative material. Professor Mavor's realistic method gives the treatment a vigor and freshness that will undoubtedly appeal to the business man, and the professional economist will find a philosophic breadth made possible by the author's familiarity with the organization and technique of many industries.

These sources of excellence, however, carry with them correlative defects. Too frequently the concrete facts are given for their own sake rather than as illustrations of economic principles, or the illustrative material is out of all proportion to the scope of the treatment. An illustration of this tendency is the historical discussion (chap. i, Part II) of the barter economy, the money economy, and the use of the precious metals as money.

Corresponding to this fault there are a looseness of definition and an inadequacy and incompleteness in classification and in the formulation of fundamental principles, which seriously impair the usefulness of the book for the elementary student. Technical terms are sometimes employed without definition, as, for instance, the expression "fatigue of land and machinery" (p. 25) and the expression "selling short" in the discussion of speculation. Sometimes the meaning of the term is more or less casually implied in the context, as in the case of the term "monopoly" or the reference to an "obscure law of variation considered in an economic sense" (p. 26). One finds also the use of the same term in a manner calculated to confuse the student, as in the heading of the chapter "Transportation a *Factor* in Production," following a chapter in which the traditional fundamental factors of production are discussed. An unnecessary and confusing use of two terms with the same meaning

is illustrated by the identification of bargaining and marketing (p. 98). The lack of completeness in classification appears in the statement that materials are one of the factors of production (p. 20), although forces are later included in the nature factor (p. 38). Similar defects are illustrated by the inadequate classification of the limitations on the principle of diminishing returns (p. 25) and the discussion of the conditions which determine the localization of industry (p. 91).

The theoretical discussion is characterized by a tendency to emphasize immediate and superficial causes rather than ultimate causes of economic phenomena. For instance, in the discussion of prices the author emphasizes such causal factors as war, movements of population, growth of urban centers, changes in the standard of comfort, changes in fashion, and changes in monetary laws. A brief discussion of marginal utility is introduced, but the theoretical connection between marginal utility and prices is obscured by the empirical discussion of the immediate factors affecting prices. In the discussion of rent the influence of the external margin upon rent and the relationship between the external and the internal margins are not referred to. Rent is defined as the difference between the product of a given area of land and the expense of its cultivation.

Outside of the tendency to emphasize immediate and superficial causes, the book does not contain any important theoretical innovations. The quantity theory of prices is expounded, with allowance for the influence of credit. The marginal productivity statement of the entrepreneur's demand for the factors of production is combined with the exchange theory of interest, no attempt being made to effect a reconciliation. The book is not lacking in other theoretical confusions. This is especially apparent in the discussion of increasing returns (pp. 24-26), where the increase of return due to a variation in the proportion of the factors is confused with the alteration in return to the business unit as well as to the industry as a whole. Similarly the term "diminishing returns" is applied (pp. 26-28) to such widely different concepts as variation in product due to changes in the proportion of the factors, variation due to the gradual exhaustion of a factor, and variation due to the necessity of employing a natural agent of inferior quality.

The term "disutility" is employed with an unusual meaning. We are told (p. 115) that "things which are of high utility to us in quantity appropriate to our desires or requirements come to be of disutility if they are either beneath these requirements or in excess of them." On p. 129 a law of marginal disutility is formulated as follows: "In a market

where the supply is in excess of the demand, the price will tend to approximate to the price which the most urgent sellers will accept. In other words, we have an example of the operation of the law of *marginal disutility* in contrast to the law of marginal utility."

The style of the book is not free from a certain vagueness in the sentence structure which suggests hasty preparation. Illustrative of this fault is the sentence, "The price of oats may in one year yield a higher return per acre than wheat" (p. 53). Carelessness (on the part either of the author or of the printer) is shown by the title of chap. iv, Part I, which differs from that given in the table of contents. The use of ambiguous terms, such as "economical philosophers" (p. 39), the colloquialism "wherewithal" (p. 129), and such unusual expressions as "contractural" (p. 4) and "professionalization" (p. 66) are to be deprecated.

On the whole, the enumeration of criticisms should not obscure the merits of a book which is in many respects well adapted to meet the need for which it was prepared—the enlightenment of the business man. Such a book should not be judged altogether by the standards either of an elementary text or of a formal treatise on general economics.

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*The Ownership, Tenure and Taxation of Land.* By SIR THOMAS WHITTAKER. London: Macmillan, 1914. 8vo, pp. xxx+574. \$3.75 net.

The careful reader of this generous-sized volume will close the book at the conclusion of the undertaking—an undertaking, by the way, of rather formidable character—with a great deal of respect, even though he may not always be able to agree with the inferences which the author draws. The difficulty to the ordinary American reader is enhanced because the volume is designed primarily for the English reader and hence presupposes a familiarity with the details of the English system of land tenure and of the fiscal system in England that the average American reader is likely to be very far from possessing.

The book is not written without an evident bias against the proposals of the single-taxers; but, on the other hand, the author is very far from taking the position that there is no room nor need for reform with reference to the "land question," and he is far from being merely a special pleader for the landed interests. It is true that he consumes a very